



Allied Health • Orthotics and Prosthetics

December 2006 • Bulletin 374

Contents

Medi-Cal Training Seminars

Opt Out Enrollment Form

Federal Deficit Reduction
Act of 2005 Requirements
Implemented..... 1

Durable Medical Equipment
Policy Updates..... 2

2007 CPT-4/HCPCS Code
Update Reminder 2

Diabetic Shoe and Insert Policy
Clarification 2

HCPCS Code E0966 Restored in
DME Section..... 2

CCS Program Updates 3

Federal Deficit Reduction Act of 2005 Requirements Implemented

Effective January 1, 2007, all new provider applicants and all providers subject to re-enrollment processing will be required to certify that they comply with Section 1902(a) of the Social Security Act.

On February 8, 2005, President Bush signed into law the Deficit Reduction Act (DRA), which requires specified changes to Medicaid (Medi-Cal in California) law. One of those changes is the requirement for employee education about false claims recovery. These changes go into effect on January 1, 2007.

This article contains information about both the state and federal law regarding this new requirement. This article also serves as the official notice of new federal requirements for Medi-Cal providers in California.

Federal Law

Section 6032 of the DRA requires any entities that receive or make annual payments under the State Plan (Medi-Cal in California) of at least \$5 million, as a condition of receiving such payments, to have established written policies and procedures about the Federal and State False Claims Act for their employees, agents and contractors.

Specifically, Section 6032 amends the Social Security Act, Title 42, United States Code, Section 1396a(a), by inserting an additional relevant paragraph, (68). To summarize, this new paragraph mandates that any entity that receives or makes payments under the State Plan of at least \$5 million annually, as a condition of receiving such payments, must comply with the following requirements:

1. Establish written policies for all employees of the entity, including management and any contractor(s) or agent(s) of the entity. These written policies shall provide detailed information about the following:
 - Federal False Claims Act, including administrative remedies for false claims and statements established under Title 31, USC, Chapter 38.
 - State laws pertaining to civil or criminal penalties for false claims and statements; whistleblower protections under such laws; and the role of these laws in preventing and detecting fraud, waste and abuse in Federal health care programs.
2. The written policies must include details about the entity's policies and procedures for detecting and preventing fraud, waste and abuse.
3. Any employee handbook for the entity must include specific discussion of the laws about false claims and statements; the rights of employees to be protected as whistleblowers; and the entity's policies and procedures for detecting and preventing fraud, waste and abuse.

Durable Medical Equipment Policy Updates

Effective for dates of service on or after January 1, 2007, the following Durable Medical Equipment (DME) policy updates will apply:

Power Wheelchair Battery Charger Reimbursement

HCPCS codes E2366 and E2367 (power wheelchair battery chargers) are separately reimbursable with the rental or purchase of their associated equipment. Claims for these codes must be billed with modifier RR or NU. Labor charges (HCPCS code E1340) are not separately reimbursable for use of these items.

Pediatric Wheelchair Seating Systems

Providers are reminded that obsolete HCPCS codes E1012 and E1013 were replaced by HCPCS codes E2291 – E2294 (pediatric wheelchair planar/contoured seats and backs) with the 2005 HCPCS Update. Policies for the obsolete codes apply to the replacement codes.

This information is reflected on manual replacement pages dura cd 1 (Part 2).

2007 CPT-4/HCPCS Code Update Reminder

The 2007 updates to *Current Procedural Terminology – 4th Edition* (CPT-4) codes and Healthcare Common Procedure Coding System (HCPCS) Level II codes become effective for Medicare on January 1, 2007. The Medi-Cal program has not yet adopted the 2007 updates. Providers must not use the 2007 codes to bill for Medi-Cal services until notified to do so in a future *Medi-Cal Update*.

Diabetic Shoe and Insert Policy Clarification

The October 2006 *Medi-Cal Update* published revisions to diabetic shoe and insert policy. Policy states that providers will not be separately reimbursed for both prefabricated items (HCPCS codes A5500 [shoe] or A5512 [insert]) and custom items (HCPCS codes A5501 [shoe] or A5513 [insert]) for the same foot in the same 12 months, unless:

- The claim does not exceed the stated annual frequency limitation for the respective codes, and
- The medical condition has changed to the extent that a custom appliance would be required for the same side after a prefabricated shoe or insert has been tried.

Providers are reminded that in addition to the physician-signed *Physician Certification of Medical Necessity for Therapeutic Diabetic Shoes and Inserts* form that must accompany a *Treatment Authorization Request* (TAR) for potentially allowing separate reimbursement of prefabricated and custom items for the same foot within the same 12 months, for the conditions noted above, the claim(s) billing for them must also document the medical justification in the *Reserved for Local Use* field (Box 19) or on an attachment.

This updated information is reflected on manual replacement page ortho 15 (Part 2).

HCPCS Code E0966 Restored in DME Section

Manual wheelchair accessory HCPCS code E0966 (headrest extension, each) was inadvertently removed from the *Durable Medical Equipment (DME): Billing Codes and Reimbursement Rates* section. The restored information is as follows:

<u>HCPCS Code</u>	<u>Description</u>	<u>Monthly Rental</u>	<u>Purchase</u>
E0966	Headrest extension, each	\$ 7.04	\$ 71.37

This information is reflected on manual replacement page dura cd 10 (Part 2).

California Children's Services Program Updates

Updates to the California Children's Services (CCS) Service Code Groupings (SCGs) are as follows:

<u>Code</u>	<u>SCGs Updated</u>	<u>Effective for Dates of Service on or after:</u>
Z5956	04	July 1, 2004
Z0306	01, 02, 03 and 07	July 1, 2006
C9225	01, 02, 03 and 07	November 1, 2006
J3490	01, 02, 03 and 07	December 1, 2006
J3590	01, 02, 03 and 07	December 1, 2006

Reminder: SCG 02 includes all codes found in SCG 01, plus additional codes applicable only to SCG 02. SCG 03 contains all codes found in SCG 01 and 02, plus additional codes applicable only to SCG 03. SCG 07 contains all codes found in SCG 01, plus additional codes applicable only to SCG 07.

New Medical Therapy SCG Added

Effective retroactively for dates of service on or after November 1, 2006, a new SCG has been added. Medical Therapy (SCG 11) codes are used by physical and occupational therapists. The codes contained in this new SCG are not included in any other SCG, and SCG 11 does not include codes from any other SCGs.

This information is reflected on manual replacement pages cal child ser 1, 3, 16 and 24 (Part 2).

Orthotics and Prosthetics Bulletin 374

Remove and replace: cal child ser 1 thru 4, 15/16

Remove: cal child ser 23

Insert: cal child ser 23/24

Remove and replace: dura cd 1/2, 5 thru 12, 23/24 *
medi non hcp 3 *
modif app 5/6 *
ortho 15

* Pages updated due to ongoing provider manual revisions.